



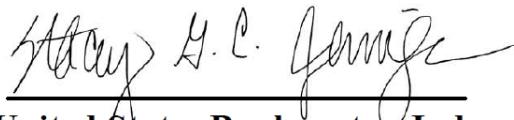
CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed June 4, 2018

  
**United States Bankruptcy Judge**

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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

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IN RE:	§	CHAPTER 11 CASES
ACIS CAPITAL MANAGEMENT, L.P., <i>et al.</i> ,	§	CASE NO. 18-30264-sgj11
Debtors.	§	(Jointly Administered)

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**ORDER (i) SETTING MANDATORY SETTLEMENT CONFERENCE; (ii)  
CONTINUING STATUS CONFERENCE; (iii) CONTINUING AND CONVERTING  
HEARING ON MOTION FOR ORDER COMPELLING REJECTION OF EXECUTORY  
CONTRACTS TO A STATUS CONFERENCE; AND (iv) SETTING HEARING ON  
APPLICATIONS TO EMPLOY COUNSEL AND SPECIAL COUNSEL FOR THE  
CHAPTER 11 TRUSTEE AND ANY OBJECTIONS THERETO**

[Relates to Docket Nos. 169, 239, 222, 244 and 246]

On May 31, 2018, the Court conducted a status conference (the “Status Conference”) based on the Request for Status Conference [Docket No. 239] filed by Robin Phelan (the “Trustee”), the Chapter 11 Trustee of the debtors, Acis Capital Management, LP (“Acis LP”) and Acis Capital Management GP, LLC (“Acis GP,” and together with Acis LP, the “Debtors”). Counsel for the following parties, as well as party representatives of certain of the following parties, were present at the Status Conference: the Trustee, Highland Capital Management, LP

(“Highland”), Highland CLO Funding, Ltd., Joshua Terry (“Terry”), the Acis CLOs,<sup>1</sup> US Bank National Association (“US Bank”), and the United States Trustee.

At the Status Conference, the Trustee discussed a proposal that could potentially result in the replacement of Highland under certain contracts between Highland and Acis LP, as well as permit the Trustee to pay all creditors in full and provide a return to equity. Based on the Trustee’s outline of the proposal, the Court determined that it would be in the best interests of all constituents of the Debtors’ estates for the Court to: (i) order a mandatory settlement conference between the parties to discuss the proposal presented by the Trustee at the Status Conference, (ii) continue the Status Conference to a date after the settlement conference, and (iii) schedule certain other matters currently pending before the Court to a later date to be heard concurrently with the continued Status Conference.

**ACCORDINGLY, IT IS ORDERED THAT:**

1. The Trustee, representatives with settlement authority for Highland and Highland CLO Funding, Ltd., Mr. Terry, and respective counsel for the foregoing shall participate in good faith in a mandatory face-to-face settlement conference to discuss the Trustee’s proposal on Friday, June 1, 2018 at 1:00 p.m. at the Winstead offices in Dallas;<sup>2</sup>
2. The Status Conference is hereby continued until June 12, 2018 at 1:30 p.m. and will be held in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, 1100 Commerce Street, Room 1428 (Courtroom No. 1), Dallas, Texas 75242;
3. The hearing scheduled for June 6, 2018 at 2:30 p.m. on the *Motion of Highland Capital Management, LP for Order Compelling Chapter 7 Trustee to Reject Certain Executory*

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<sup>1</sup> The Acis CLOs are comprised of Acis CLO 2013-1 Ltd., Acis CLO 2014-3, Acis CLO 2014-4 Ltd., Acis CLO 2014-5 Ltd., and Acis CLO 2015-6 Ltd.

<sup>2</sup> Counsel for and representatives of the Acis CLOs, US Bank, and the U.S. Trustee are welcome to attend, but are not ordered by the Court to attend the settlement conference.

*Contracts and Request for Expedited Hearing* [Docket No. 169] is hereby cancelled and converted to a status conference, which will also occur on June 12, 2018 at 1:30 p.m.;

4. The Trustee's *Application for Order Authorizing the Employment and Retention of Forshey & Prostok, LLP as Counsel to the Chapter 11 Trustee* [Docket No. 222] and *Application to Employ Winstead PC as Special Counsel to the Chapter 11 Trustee* [Docket No. 246] (collectively, the "Applications to Employ") shall also be heard on June 12, 2018 at 1:30 p.m. At that time, the Court will also hear any objection to either of the Applications to Employ, including the *Motion to Disqualify Winstead, PC as Proposed Special Counsel to Robin Phelan, Chapter 11 Trustee* [Docket No. 244]; and

5. The *Motion for Expedited Status Conference on Motion to Withdraw the Reference to District Court* (the "Motion for Expedited Hearing") filed by Highland in Adversary No. 18-03078 (the "Highland Adversary"), will also be heard on June 12, 2018 at 1:30 p.m. Counsel for the Highland Entities shall file a separate notice of hearing in the Highland Adversary regarding the hearing on the Motion for Expedited Hearing.

**### END OF ORDER ###**

APPROVED AS TO FORM:

/s/ Jeff P. Prostok

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